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Ex-Army Man in Spy Case Called 'Walter Mitty' Type

FBI Agents Testify at Conspiracy Trial

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Richard Craig Smith, accused of disclosing the identities of U.S. double agents, described himself as a "Walter Mitty" and modeled his contacts with a Soviet KGB officer after the plot of a novel he was writing, FBI agents testified yesterday in U.S. District Court in Alexandria.

In great detail, the agents described conversations with Smith in which they said he revealed information about six double-agent operations, including the real names of the agents.

Once, the agents said, the FBI used information from Smith, testing his ability to contact the Soviets and to trap and to attempt the arrest of a Soviet official. The plan was dubbed Operation Dubious, they said.

Smith, a former Army counter-intelligence specialist, is charged with conspiracy and disclosing classified information. He has denied the charges.

According to testimony by agents, Smith initially told the FBI he had disclosed no classified information when he met with Victor I. Okunev, the KGB officer, at the Soviet commercial compound in Tokyo.

However, after he was confronted with information that the Soviets had recontacted a U.S. double agent code-named Royal Miter after a lapse of three years, Smith gradually revealed more about his disclosures, FBI Special Agent Michael J. Waguespack testified.

Eventually, he admitted giving classified details about five other double-agent operations code-named Canary Dance, Landscape Breeze, Lariat Toss, Hole Punch and Lancer Flag, Waguespack said.

The agents, who had intermittently interviewed Smith over a period of 10 months, said he had voluntarily contacted the FBI in June 1983 because he believed his meetings may have been detected by U.S. intelligence and he did not want them misinterpreted.

"He wanted to be the first one to report it to the United States government," Waguespack said.

Special Agent Ronald W. Hilley testified that Smith had told him that he was "Walter Mitty to the max" and that a novel he had begun to write marked "his first thoughts of making clandestine contacts with the Soviets."

Financial problems were the catalyst for the meetings Smith had with Okunev in late 1983, Hilley testified that Smith told him.

But living out his fantasies took its toll on Smith almost immediately, the agents said.

Waguespack testified that Smith told him he became physically ill, broke out in a rash and could not sleep after he had met Okunev. "He said it was the worst night of his life." He was arrested in April 1984.

Using procedures described by Smith on how to recontact a Soviet agent, the FBI drafted a letter to the Soviet consulate in San Francisco, said FBI agent Richard W. Smith.

Agent Lawrence E. Williams then attached the letter to "some little cheap flower arrangement in a dish" and had it sent to the Soviet consulate, Smith testified.

The florist, Robert W. Sandner, was brought from San Francisco to testify. "The whole thing was rather dramatic because of where the flowers were going," Sandner said.

Taking the cue from the letter, the Soviets paged a "Mr. Walter Hamlin" in the lobby of the St. Fran-

cis Hotel exactly a month later, according to testimony, and Williams was waiting and answered the phone.

The caller assured him that they were ready to deal "on your terms" but only in Tokyo, according to a tape recording of the conversation played for jurors.

When Williams protested that he had no money to travel to Tokyo, the caller said he would be reimbursed for expenses once there and urged him to "make up your mind."

When Williams finally said he would come, the Soviet replied, "Okay, beautiful."